

HALL COUNTY BOARD OF SUPERVISORS WORK STUDY SESSION
FEBRUARY 4, 2003

CALL TO ORDER The meeting was called to order by Chairman Lancaster.

MEMBERS PRESENT Scott Arnold, Jim Eriksen, Bob Humiston, Pamela Lancaster Bud Jeffries, and Bob Rye. Also present was Brad Fegley.

The board members received a copy of 2001 county audit. This will be accepted and place on file at the February 11th board meeting. The audits were done but they were waiting for the letters from County Attorney Jerry Janulewicz. Mr. Fegley stressed the importance of having a list of the fixed assets that are purchased and the cost. The inventories had been discussed in the past and the board resolution addressing what items are on an inventory was discussed. It is set at \$50.00 and this may need to be addressed. There is also new legislation introduced that could change the bidding requirements for counties.

Mr. Fegley reviewed the letter on page two of the audit. He also reviewed pages 3 and 4 and the cash that is received by each office. He noted that the general cash was down by \$300,000.00 but that special revenue was up.

The trust and agency funds are dollars that are collected and sent back out.

The expenses in general were up but this was due to personal costs. He stated that there were no budget violations.

He noted the amount of accrued vacation of \$328,177.00 that is a liability to the county. The union contracts and the handbook have limits on the accruals.

Discussion was held on the collections the county has done well at 43% and this is only the first half because the last half is due in September.

He reviewed the expenditures and noted the federal awards on page 34. Some of these awards will go down because of completion of certain projects.

He reviewed the finds and questions and it is noted that there is not an ideal segregation of duties but this would require hiring additional people and that would not be cost efficient. During the audit process the delinquent taxes are checked and this is noted in the audit report. The charts and graphs were reviewed on the collections and expenditures.

Discussion was held on the management letter and the board will send a memo regarding some of the management point regarding the bank account signature cards and the outstanding checks that need to be transferred. The inventory process as discussed and the process that the board uses to review them. The board decided they need to set up a procedure and testing policy to follow. They discussed using a statistical testing process. Fegley stated that this is the process that they use. County Clerk Marla Conley stated that the officials and department heads had already discussed using a numbering system. The board members discussed making a form that they could use for this process and if there were a plan and a procedure it would be easier to

follow. Arnold and Humiston stated that there is an inventory control program on Spillman that could be used. Humiston will check on this and get the information back.

Jeffries stated that he would like to see a special audit done on a selected office each year. This could be done on a rotation basis.

The 2002 audit is also completed and there was a clean opinion. The general fund cash was up and special revenue was down because of the HeadStart grant that ended.

Mr. Fegley reviewed the revenue and expenditures and again the expenditures were up because of personnel costs. Fegley reviewed the transfers that are made out of the general fund to the ADA, Weed, and Road funds.

He reviewed the tax collections and they were the same as last year. Again the expenditures were up because of the personnel costs. He also pointed out that the individual budgets couldn't overspend their budget at the end of the fiscal year. If this happens it is a budget violation.

He reviewed the various grants that include the law enforcement grants and highway grants. The airport grant and the depot grant were completed.

He reviewed the 2002 charts and graphs and the operational expenditures did drop but the personnel costs did go up. The costs for the road department were down at the end of the fiscal year. He also reviewed the collections.

Mr. Fegley requested that the board accept and place on file the 2001 and 2002 audit reports at the next meeting. He stated that they are working on the Clerk of the District Court audit and when it is completed he will forward the report.

He will work with Stacey Ruzicka to put together a budget schedule in the near future.

Meeting adjourned at 11:15 a.m.

Marla J. Conley Hall County Clerk